

INFO	LOG-00	EEB-00	AID-00	CEA-01	CIAE-00	COME-00	CTME-00
	INL-00	DODE-00	ITCE-00	DOTE-00	EXME-00	EUR-00	E-00
	FAAE-00	UTED-00	VCI-00	FRB-00	H-00	TEDE-00	INR-00
	IO-00	LAB-01	L-00	MOFM-00	MOF-00	VCIE-00	NSAE-00
	ISN-00	NSCE-00	OES-00	OIC-00	OMB-00	NIMA-00	OPIC-01
	EPAU-00	MCC-00	GIWI-00	MA-00	ISNE-00	SP-00	IRM-00
	SSO-00	STR-00	TRSE-00	FMP-00	CBP-00	BBG-00	EPAE-00
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E.O. 12958: N/A  
 TAGS: [ECON](#) [EINV](#) [ETRD](#) [EAID](#) [RW](#)  
 SUBJECT: WORLD BANK RANKS RWANDA MOST IMPROVED FOR BUSINESS

REF: KIGALI 496

11. (U) SUMMARY: World Bank "Ease of Doing Business" 2010 indicators--released September 8, 2009--recognize Rwanda as the world's top reformer in implementing business regulation reforms. Rwanda introduced reforms in seven out of ten categories, improving its overall ranking from 143 to 67 out of 183 economies included in the study. In sub-Saharan Africa, Rwanda trails only Mauritius, South Africa, Botswana and Namibia and has catapulted past neighboring East African countries of Kenya, Uganda, Tanzania and Burundi. END SUMMARY.

12. (U) The World Bank Doing Business project provides objective measures of business regulations and their enforcement across 183 economies world-wide. It is based on the premise that a good business environment requires good business regulations, and enforcement of those regulations. First initiated in 2003, the study looks at ten indicators of good business regulation and compares countries' performance against each other and prior years.

13. (U) Based on these ten indicators, Rwanda over the last year has emerged as the world's top reformer with significant reforms in seven of ten categories and overall rank improvement from 143 in the 2009 report to 67 in the 2010 study. The Bank noted that this is the first time a sub-Saharan African country had led its "most improved" list. Rwanda is now in the top five countries in Sub-Saharan Africa for business regulatory environment after Mauritius, South Africa, Botswana and Namibia. In East Africa, Rwanda leads Kenya (95), Uganda (112), Tanzania (131) and Burundi (176).

14. (U) The most dramatic regulatory improvements were in the categories of "Starting a Business" ( 76), "Protecting Investors" ( 144), "Employing Workers" ( 83) and "Getting Credit" ( 86). In contrast "Dealing with Construction Permits" and "Closing a Business" showed no improvement while "Trading Across Borders", "Enforcing Contracts" and "Registering Property" improved only slightly. "Paying Taxes" deteriorated marginally. The World Bank report does not address key areas of the business climate--such as corruption--where Rwanda would likely score well. Similarly, the report does not evaluate the quality of infrastructure

and availability of skilled labor, where Rwanda might score lower.

15. (U) Some of the indicators are largely outside the Government of Rwanda's (GOR) control. For example, the indicators for "Trading Across Borders" show that Rwanda ranks 170th out of 183 countries primarily due to the high cost of transport. The cost of exporting from Rwanda as measured by US\$ per container is \$3,275 for Rwanda compared to an average of \$1,942 for the rest of sub-Saharan Africa and \$1,090 for OECD countries.

16. (U) COMMENT: Rwanda's dramatic improvement in its business regulatory environment, as demonstrated by their catapult jump in the World Bank report, is a significant accomplishment. Since the World Bank first published the report in 2003, the GOR has consistently focused on improving the business environment as a critical component to attracting needed foreign capital. In 2008, the Rwanda Development Board was established to streamline the investment process, minimize trade barriers and market Rwanda as a "business friendly" environment. Significant new business friendly legislation was also signed into law. These improvements have contributed to improving the business climate and are already bearing fruit by attracting new American investment (reftel). END COMMENT.

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